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Now That Wheat Farmers Have Set Quotas . . .

WHEAT FARMERS have decided to use marketing quotas in growing and marketing their 1954 crop. In the Nation-wide referendum held August 14, more than 85 percent of the 414,644 farmers who voted favored using the quotas. A two-thirds vote in favor was necessary to make the quota program effective.

Marketing quotas operate through acreage allotments in this way: The national wheat acreage allotment for the 1954 crop has been set by Secretary of Agriculture Ezra Taft Benson at 62 million seeded acres—the minimum allowed under the law—because of the prospective supply. This figure compares with 1953-crop plantings of 78.6 million acres.

This national allotment has been apportioned to States, and the State allotments to counties. Apportioning was done on the basis of the acreage seeded to wheat during the preceding 10 years, with adjustments for abnormal weather and for trends in acreage. County allotments have been apportioned among individual farms according to the past acreage of wheat, the number of tillable acres in the farm, the crop rotation practices followed, the type of soil, and the slope and lay of the land.

A national reserve of 558,000 acres provided for further allocations to counties in which wheat acreage has expanded so rapidly in recent years that the usual formula does not adequately reflect the trend.

Apportionment of the national allotment was completed prior to the vote

Acreage Allotments by States

State	Base acreage	State allotment
Alabama.....	12,318	9,753
Arizona.....	27,922	22,107
Arkansas.....	29,259	23,166
California.....	709,110	561,442
Colorado.....	3,600,647	2,850,836
Connecticut.....	1,090	863
Delaware.....	63,800	50,514
Florida.....	285	226
Georgia.....	130,185	103,075
Idaho.....	1,536,974	1,216,909
Illinois.....	1,851,520	1,465,953
Indiana.....	1,666,823	1,319,718
Iowa.....	264,921	209,753
Kansas.....	14,998,087	11,874,832
Kentucky.....	279,623	221,393
Louisiana.....	1,045	827
Maine.....	2,164	1,713
Maryland.....	301,567	238,765
Massachusetts.....	1,054	835
Michigan.....	1,315,764	1,041,765
Minnesota.....	1,183,042	936,681
Mississippi.....	11,592	9,178
Missouri.....	1,626,206	1,287,559
Montana.....	5,813,901	4,603,194
Nebraska.....	4,622,404	3,659,818
Nevada.....	19,692	15,591
New Hampshire.....	137	108
New Jersey.....	80,467	63,710
New Mexico.....	630,351	499,084
New York.....	423,398	335,228
North Carolina.....	403,227	319,257
North Dakota.....	10,425,443	8,254,412
Ohio.....	2,215,919	1,754,468
Oklahoma.....	6,584,088	5,212,994
Oregon.....	1,093,470	865,762
Pennsylvania.....	910,843	721,166
Rhode Island.....	837	663
South Carolina.....	185,682	147,015
South Dakota.....	3,983,771	3,154,176
Tennessee.....	260,240	206,047
Texas.....	6,063,686	4,800,963
Utah.....	452,754	358,471
Vermont.....	389	308
Virginia.....	400,845	317,372
Washington.....	2,842,314	2,250,420
West Virginia.....	71,312	56,462
Wisconsin.....	92,297	73,077
Wyoming.....	409,681	324,368
United States.....	77,602,146	61,442,000
National reserve.....	-----	558,000
		62,000,000

on wheat quotas, so that farmers would understand the issues involved. While wheat *allotments* would have been in effect whether or not growers approved the use of quotas, marketings from excess wheat acreage would not have been subject to penalties had quotas been turned down; price supports available to growers who cooperated by planting within their allotments would have dropped to 50 percent of parity.

Here, then, are highlights of the national wheat program for 1954:

1. Acreage allotments have been assigned to all farms which grew wheat in any one of

Do We Overlook Mr. Hog While Mr. Steer Gets the Spotlight?

THE HOG has a right to squeal these days. His complaint is about the way his fine price performance is being overlooked as all the attention has been turned on cattle.

While prices of cattle have been going down the skids, prices of hogs have made substantial gains. Rebounding from a seasonal low of \$16 per 100 pounds last December, prices of barrows and gilts at Chicago advanced to \$20 by February, \$24 by May, and \$26

the years 1951, 1952, or 1953. Marketing quotas, however, apply only to farms on which the 1954 acreage of wheat is more than 15 acres (and with normal production of 200 bushels or more).

2. Farmers with 15 acres of wheat or less, and farmers with more than 15 acres of wheat who do not exceed their wheat acreage allotments, can market without penalty all the wheat they grow.

3. All farmers who stay within their wheat acreage allotments are eligible for price supports at 90 percent of parity on their 1954 wheat crop.

4. Farmers who exceed their wheat acreage allotments are subject to a marketing penalty on their "excess" wheat. The penalty, by law, is 45 percent of the parity price of wheat as of May 1, 1954. (Payment of the penalty may be avoided or postponed if the grower withholds his excess wheat from the market in accordance with regulations established by the Secretary of Agriculture.)

5. Farmers who exceed their wheat allotments are not eligible for the 90-percent price supports which are available to cooperators.

Willard Lamphere
Production and Marketing Administration

by July. The July price was more than \$4 or 20 percent above prices in July 1952. Only in parts of 1947 and 1948 were farmers' prices higher.

Higher Than Steers

The contrast with cattle prices is dramatic. In 1951, when cattle were scarce but hogs more plentiful, Choice steers sold at Chicago for \$36 per 100 pounds. Barrows and gilts brought scarcely \$21—42 percent less. Now, with cattle prices having declined for 2 years, the relation is opposite. Prices of barrows and gilts were higher than Choice steers from late April through July. They averaged 10 percent higher.

Put it another way. In 1951 it took the money received from 8 hogs of 240 pounds each to equal the value of an 1,100-pound steer. This spring the receipts from only 4 hogs would pay for a steer.

Hog prices have increased because the supply has been reduced while the demand for pork has not changed much. Hog producers expanded production sharply from 84 million pigs saved in 1948 to 102 millions in 1951. Big marketings from the 1951 pig crops brought low prices in 1952. Discouraged, producers cut back to 92 million pigs that year. This spring they made a further reduction of 10 percent from last spring.

Naturally, with fewer pigs produced, fewer hogs are going to slaughter. Slaughter of hogs the last several months has been 15 percent or more below a year earlier. It looks as though the 1953 total output of pork will be only about 10 billion pounds, which will provide about 62 pounds per consumer. The 1952 output was 11½ billions, and the average consumer was more abundantly supplied with 72 pounds.

To be sure, the consumer is well provided with beef instead. The increase in beef and veal is more than replacing the reduction in pork, and total con-

sumption of red meat is greater than last year.

But the consumer is demonstrating once again that demand for beef and pork is not interchangeable—that consumers are not indifferent to the kind of meat they get. Some consumers have a definite preference for one kind over another, while others insist on a balance between various kinds, for variety in the diet. Few, apparently, will substitute freely one meat for another.

Pork Has a Demand of Its Own

The opposite directions of price change as pork goes up and beef down are proof that demand for pork is partly independent of demand for beef. For if consumers had no preference whatever for one over the other—if beef and pork were considered perfectly substitutable—the prices would always move together.

It is true that beef and pork compete with each other. But the degree of competition is sometimes overestimated. Hog producers may have been too concerned about the effect of beef supplies on the price of pork. They were alarmed by the big supply of cattle building up on farms, and this may be one reason they reduced so sharply the number of sows to farrow.

Hog producers must have had several unusual considerations in mind when they planned for both spring and fall farrowings this year. They reduced their sows farrowing this spring more than can be explained by the previous relations of hog to corn prices. And for this fall they intend for 5 percent fewer to farrow than last fall despite the encouragingly high hog prices the last few months.

Most observers were surprised by this intended reduction reported in June. They had expected a moderate increase in fall pigs. They also find it hard to explain the reduction. Big supplies and lower prices of cattle may still be disturbing to hog men. Possibly there is apprehensiveness as to general economic conditions. The economy has been going at full pace for a long while; some hog producers may feel the strong demand for meat cannot last. Vesicular exanthema, anthrax, and

cholera are worrisome threats that are sometimes discouraging to producers of hogs. Furthermore, there are price supports on corn. Since farmers can get 90 percent of parity for corn by storing it, some have not wanted to take the risk involved in feeding it. The price of corn—a cost in hog production—is relatively assured, but the price of hogs is not.

It is also worthwhile to look at the regional picture. The biggest reductions have been *outside* the Corn Belt. The 1953 *spring* pig crop was 6 percent smaller than last year in the North Central States, but outside areas reduced by 24 percent. According to the reported intentions, in the North Central States equally as many sows will farrow this fall as last. All the United States reduction in *fall* farrowings will take place in areas to the east, south and west, where the planned decrease is 17 percent.

The South has had rather small feed supplies and drought is a factor in the Southwest, but the chief lesson from these figures is that small-farm hog production in noncommercial areas is going out of the picture. Not so many families now bother to raise a few hogs for their own use and for sale.

Price Prospects in the Months Ahead

Prices of hogs will decline seasonally this fall. They will again be lower than Choice steer prices, which will be seasonally high then. However, the average level of hog prices will continue to be higher the next year than in the past several years. The supply of pork per person will stay below year-earlier levels until about midyear of 1954. No big increase is possible before the latter part of that year, if then. Thus satisfactory profits would seem to be in view for at least the hogs raised from 1953 pig crops.

A considerable expansion will eventually result from this year's prices. Producers would gain by keeping the increase in hog production to moderate proportions when it does come. There is danger of repeating the common pattern of overcaution followed by over-enthusiasm.

Harold F. Breimyer
Bureau of Agricultural Economics

High Production Efficiency On Farms This Year

THIS YEAR'S big farm output—now indicated equal to last year's all-time high—is the result, in large part, of high production efficiency among farmers.

Continued favorable weather in most sections of the United States in July and rains in some drought areas of the Southwest raised prospects for farm production during the month. This large output will be achieved with fewer man-hours of work—2½ percent fewer than last year, and about 20 percent fewer than in 1935–39 when the volume of output was only 70 percent as great as now.

Farmers in 1953 will use a fourth fewer man-hours to get a third more crop production than in 1935–39. Con-

sequently, crop production per man-hour will have increased by more than 80 percent.

Greater mechanization is the chief factor responsible for the rapid increase in labor productivity in crop production. Farmers this year have almost twice as much farm power and machinery at their disposal as they had 15 to 20 years ago. In 1953, alone, farmers will use more than 10 billion gallons of gasoline and other petroleum products—enough to fill a train of tank cars 7,000 miles long.

Higher crop yields have had a double-barreled effect. An increase of about one-third in crop production per acre from 1935–39 to 1953 has been a major factor in the record rise in volume of

Agricultural Production and Productivity in 1953, With Comparisons—Index Numbers, 1935–39=100

Item	1935–39	1948–52	1952	Indicated 1953 ¹
<i>Volume of production</i>				
Total farm output.....	100	140	144	144
Livestock production ²	100	139	146	146
Crop production ³	100	133	134	134
Farm-produced power ⁴	100	50	41	37
<i>Specified inputs</i>				
Man-hours for all farm work ⁵	100	86	83	81
Man-hours for livestock ²	100	100	101	101
Man-hours for crops ³	100	83	77	74
Land used for crops ⁶	100	101	101	102
Animal units of breeding livestock ⁷	100	115	119	118
Volume of farm power and machinery ⁸	100	166	184	188
<i>Production per unit</i>				
Farm output per man-hour.....	100	163	173	178
Livestock production per man-hour ²	100	139	145	145
Crop production per man-hour ³	100	160	174	181
Crop production per acre.....	100	132	133	131
Livestock production per breeding unit ²	100	121	123	124

¹ Indications for 1953 based chiefly on the August 1953 report of the Crop Reporting Board.

² Dairy products, poultry products, meat animals, wool and mohair. This index measures "gross" livestock production, i. e., feed and pasture consumed as well as product added in converting feed and pasture into livestock and livestock products.

³ All crop production including production of feed for farm horses and mules.

⁴ Not included in total farm output. Farm-produced power production includes the feed and pasture consumed by horses and mules, and the product added in converting this feed and pasture into animal power.

⁵ In terms of time that would be required by adult males.

⁶ Sum of the estimated acreage from which one or more crops are harvested plus acreage of crop failure and summer fallow.

⁷ All breeding livestock except horses.

⁸ Includes horses and mules.

farm output, as the acreage of land used for crops has changed very little. Greater yields of crops also have made possible a more efficient use of farm labor. Improved production practices such as hybrid seeds, greater use of fertilizer, more effective weed, insect and disease control not only have added to total farm output through higher yields, but also have rivaled mechanization as a factor in increasing labor productivity on farms.

Gains in Livestock Per Man-Hour Less Than for Crops

Farmers now are spending about the same total time on livestock chores as they did in the prewar years, 1935-39. The output of livestock and livestock products per man-hour has been stepped-up by nearly one-half during this period, however. The gains in labor productivity in livestock production have not matched those in crop production, primarily because mechanization has progressed less rapidly in this field of endeavor. Milking machines are saving many hours of work, but much remains to be done in saving labor and reducing costs of other livestock jobs.

Larger "yields" have played a dual role in livestock production, as in production of crops. Livestock production per breeding unit has risen by nearly 25 percent during the last 15 years, and coupled with an 18-percent increase in the number of breeding units, has boosted livestock production to a level nearly half again as great as in 1935-39. More output per breeding unit also has helped to increase livestock production per man-hour.

Abundant farm production is indicated again this year. Large quantities of power, machinery, fertilizer, and other production goods from nonfarm sources are basic to the maintenance of high-level output on farms. Further cost reduction is a current as well as a future challenge to farmers in the United States. This will require combinations of farm land, farm labor, and nonfarm production goods that will reduce costs and benefit both farmers and consumers.

Reuben W. Hecht
Glen T. Barton

Bureau of Agricultural Economics

Outlook Highlights

• • • September 1953

CONSUMERS have been spending money in retail stores at near record rates in recent months. Their incomes are at peak levels. And they continue to use more credit. Spending by business and government also has been at high levels. Despite the high rate of spending, the Nation's factories have turned out more goods than have been bought. Business inventories expanded sharply in the second quarter of this year. Most of the gain was in manufacturers' stocks. However, with sales at record rates, manufacturers' inventories compare with sales in about the same way as at the beginning of 1953. Retail inventories have increased more than sales, mainly because of increased stocks of cars and home appliances.

Wheat

Farmers, by their vote on August 14, have agreed to accept marketing quotas on the 1954 wheat crop. These quotas are likely to check the buildup in stocks, but supplies for 1954-55 probably will be close to the record level of this year. The national acreage allotment for the 1954 wheat crop totals 62 million acres, about a fifth less than was seeded for the 1953 crop. How much wheat would be produced on such acreage will depend largely on the weather. Assuming, however, that yields equal the 1943-52 average, about 950 million bushels would be produced.

The crop this year is estimated at 1,203 million; an average crop is 1,089 million. Stocks next July 1, the beginning of the 1954-55 marketing year, are likely to be far higher than in any other year—probably around 800 million bushels. Thus, the total supply of domestic wheat for 1954-55 would be around 1,750 million bushels, about the same as the record for the current 1953-54 marketing year.

Use of wheat in the United States in 1954-55 is likely to be about the same as in other recent years—around 700 million bushels. Exports, however, are

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Success With Hay and Pastures Calls For Good Management

GRASSLAND farming is livestock farming. Grasses eventually must be marketed as milk, meat, or other livestock products and the conversion can be done most profitably on the farm where the grasses are grown. This calls for a knowledge of both crop and livestock production, and, equally important, for an understanding of how to work the two together to get the most profitable results.

Forage crops require the same knowledge of adapted varieties, soil requirements, liming, fertilization, harvesting, preservation methods, and so forth, as do other common farm crops. On most farms these practices with respect to grasses have not received their due share of attention.

In some respects grasses demand even better management than other crops. In harvesting wheat or corn for grain, for example, a farmer has considerable leeway from the optimum, both in time and method of harvesting, without seriously affecting the quantity or quality of grain produced. But a few days too early or too late in harvesting forages may greatly reduce either their yield or feeding quality.

Means More Than Growing Grass

Grassland is an across-the-board job. Successful grass growing does not end with production of a good forage, for the forage must also be efficiently used. The heart of the solution to this problem lies in a knowledge of feeds and the techniques of feeding. Within a limited range, forage and grains may be substituted, one for the other. But even the best feed will not produce milk economically unless fed to cows with high inherent capacity to produce milk. The whole grassland program can be no more efficient than the conversion of grass to livestock and their products. The substitution of high-quality grasses for other harvested crops in the crop-

ping system must result in lower purchased feed costs per cow, in higher production per cow, or in more units of livestock per farm if it is to be profitable.

Farmers That Fail—Examples

A few farmers have mastered the know-how of producing good forage only to fail in utilizing it properly. A farmer whom we know, for example, learned how to produce good orchard grass-ladino hay and pasture. He also learned how to grow birds-foot trefoil. In June, when we visited the farm, his cows were up to their ribs in orchard grass-ladino pasture. Two other excellent grassland areas were untouched. Not only was this farmer producing good-quality roughage, which was going to waste, but the rapidly growing orchard was crowding out the legumes. This excess herbage could have been ensiled and fed in the late summer when green feed was desperately needed, or it could have been made into hay. As it turned out, it was a costly resource wasted, for the farmer didn't turn what he produced to good use.

Some farmers have not learned how to raise good roughage, even though they have developed strong points in other parts of their business. A farmer whom we know had hay and pasture that never reached more than 20 percent legumes, yet in his barn were big cows with plenty of potential to produce milk. He had to feed grain heavily to maintain production. Obviously his "field management" was not in tune with his "barn management." His grassland program was still on a sour note.

Farmers Who Learn and Who "Follow Through"

But many farmers have worked out a well-rounded grassland production-and-use program for their farms.

They consider each phase of the program important, and keep the whole thing in balance. Take the actual case of a successful farmer of our acquaintance, for instance. This farmer had added a few cows to his herd to get a larger and more efficient business. But he soon discovered that he was short of hay, and for several winters he had to buy some. Then he started to improve his meadows by proper liming and fertilization, and selection of adapted legumes and grasses. At the same time he did some pasture improvement work—No use feeding weeds in the summer and good hay in the winter, he reasoned. Cows do best for him, he figured, when they can eat well the year round. (This is part of the “balance” in the program.) Today his pastures produce far better feed than before, and the herbage is thick enough to permit the cows to stay easily within cruising speed and still get a rumen full. In fact the farmer has extra pasture in the spring. He fences off part of it that he can work with machinery. This he clips and puts into the silo for July and August feeding when pastures are generally short. He pastures the clipped area after it gains second growth. The silo does double duty because later it is filled again with corn or second cutting grass for winter feeding. Everything this farmer produces he uses.

One of the strong points of a grassland program is the flexibility of the grass crop in method of use.

Grass can be ensiled, cut for hay, or pastured. Like a good athlete, grass is a triple threat. Hardly anything else a farmer grows can boast of this. It means that the grass farmer can adjust his farm-management practices to meet seasonal conditions, even after the crop has been planted, and this is a big advantage.

Most management obstacles in the way of profitable grassland farming can be solved by individual farmers, and not all solutions call for more cash outlay. But, the development of new grasses, new fertilizers, new methods of harvesting, preservation, and so forth are not within the individual farmer's power to solve. They are left to the scientists in experiment stations and in industry. Once these physical limita-

tions have been reduced by others and translated into new farm practices, farmers soon learn to use them. Grassland farming calls for good management and this is within the reach of nearly all farmers who desire it.

Jerome K. Pasto
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Outlook Highlights

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likely to be lower. The recovery of farm production in importing countries since the war ended and the large supplies in other exporting countries, has reduced the demand for U. S. wheat. Exports seem most likely to be between 200 and 300 million bushels. If exports fall in the middle of this range, stocks at the end of 1954-55 would be about the same as at the beginning. The minimum loan level to farmers on the 1954 crop, soon to be announced, is not expected to differ greatly from the loan for the 1953 crop which was \$2.21 per bushel. The law provides for mandatory 90 percent of parity support prices to growers who plant within their acreage allotments.

Livestock and Meat

Cattle slaughter continues at a record rate and the seasonal advance in prices this summer was short-lived. Prices of lower grade cattle have dropped more than the higher grades. Higher grade cattle are likely to continue to show the most price strength since slaughter supplies are likely to drop near or to the levels of a year ago. Seasonally larger supplies limited outlets for lower grade beef and weakening demand from feeders will tend to hold down prices of lower grade cattle. Hog prices this fall, though declining seasonally, are likely to stay higher than a year ago.

Dairy Products

The milk flow in July showed much less increase over the same month last year than it did earlier in the year. Very little dairy products are being

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Low Cotton Production Costs Await Economical Machine Harvesting

IN MANY PARTS of the South, tractors on farms have reduced somewhat the labor needed to produce cotton. But further reductions in manpower are needed if costs of production are to be substantially reduced, and if cotton is to compete more strongly with other crops for the use of farm resources.

A study of cotton production practices in North Carolina compares the mechanized and nonmechanized methods used in that State. The study was made by J. Gwyn Sutherland of the *Bureau of Agricultural Economics, U. S. Department of Agriculture*, and H. B. James of *North Carolina State College*.

Here are some of the things they found in the southern Piedmont.

With hand methods, 138 man-hours of labor per acre were needed. When tractor power was used, but weeding, chopping, and harvesting were done by hand, it took 118 man-hours to do the job. But when rotary weeders and mechanical pickers were used, that is, with almost complete mechanization, only 24 man-hours per acre were needed. And when rotary weeders and mechanical strippers were used, the work was done with 22 man-hours per acre.

It is true that the saving in labor was partly, or even completely, offset by other costs associated with mechanization. The difference depends upon the prevailing wages paid hand labor and the cost and amount of use of the harvesting equipment.

The costs associated with mechanization include field and grade losses and additional ginning charges for mechanically harvested cotton.

When mechanical pickers were used, the field loss of cotton was about 12 percent of the total yield and the grade loss amounted to about 2 cents per pound of lint. With mechanical strippers, the field loss was about 7 percent of the total yield and the grade loss

was about 6 cents per pound of lint. Additional ginning charges made for mechanically harvested cotton added to the cost. These additional charges were about 14 cents a bale for mechanically picked cotton and about \$3.60 a bale for mechanically stripped cotton. The field and grade losses of cotton and the additional ginning charges amounted to \$40 an acre when mechanical strippers were used and to \$34 an acre when mechanical pickers were used.

Big Acreages Favor Machines

The larger the acreage of cotton, the higher the yields, and the more bales harvested per machine, the lower is the cost per bale. Costs of hand harvesting do not vary in this way, although the rate paid for picking may change during the harvesting season.

Thus *hand picking* at \$4 per 100 pounds of seed cotton picked was more economical than *mechanical picking* on less than 120 acres yielding 337 pounds of lint per acre. But *hand picking* at that rate was less economical than *mechanical stripping* when more than 36 acres were harvested per mechanical stripper.

With a mechanical stripper used only for gleaning or scrapping in cotton yielding 100 pounds of lint per acre, mechanical stripping was more economical than hand picking at \$5 per hundred when more than 40 acres were handled in this way.

Not so very many farms in North Carolina, particularly in the Piedmont, have acreages of cotton large enough to justify the purchase and use of mechanical pickers. Custom harvesting may be the solution for small farmers.

How do the per acre costs of the different methods of producing cotton compare? Here are some of the costs.

In cotton yielding 495 pounds of lint per acre, and using animal power only and with hand labor used to weed, chop, and harvest the cotton, estimated

costs, exclusive of costs of land, capital and management, were \$104 an acre in the southern Piedmont. Net returns to the farmer for the land, capital, and management used came to approximately \$90 an acre. With rotary weeders and mechanical strippers, the cost per acre dropped to \$55. It was a little higher—\$66 an acre—when rotary weeders and mechanical pickers were used. But the gross value of lint and seed was less when mechanical harvesters were used because of field and grade loss and additional ginning charges. With *strippers*, returns to the farmer for the use of his land, capital, and management were \$99 and with *pickers*, \$94 an acre.

Thus the *key* to successful mechanization of cotton production is *economical* mechanical harvesting. Mechanical harvesters are expected to be greatly improved. Ginning and cleaning equipment that will further improve the grade of roughly harvested cotton are expected to be developed. A successful chemical defoliant that will remove the leaves from the cotton plant before harvesting will doubtless be found. It is therefore probable that most of the problems associated with mechanical harvesting of cotton will be solved and that the trend will be toward complete mechanization of cotton production throughout the Cotton Belt.

These improvements in methods and equipment will not come overnight. Nor will the increase in mechanization of cotton mean rapid displacement of labor. Rather, the machines will move in to take the place of labor that has already moved out.

Of course, many small cotton farms in North Carolina will not be able to mechanize. Operators of these farms may find it advisable to shift to production of other crops or livestock that can be produced economically with animal and hand labor.

But many of the larger farms will mechanize completely and will produce their cotton more efficiently. Although the total acreage of cotton in the State may decline further, yields probably will increase.

When production of cotton is fully mechanized, cotton will be better able to compete with other crops and with livestock for the use of land, capital,

and management. But the farms on which complete mechanization can be expected generally will be those that have acreages of cotton large enough to justify the purchase and use of mechanical harvesters.

J. Gwyn Sutherland
Esther M. Colvin

Bureau of Agricultural Economics

Outlook Highlights

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put in storage by commercial concerns and butter, cheese, and nonfat dry milk continue to be sold to the Government under the price support program. Consumers have been buying about the same quantities of dairy products this year as last, even though their income has gone up and retail prices have gone down a little.

Poultry and Eggs

Farmers are raising 615 million chickens for flock replacement this year, according to preliminary estimates. Last year, the figure was 617 million. With the rate of lay per hen likely to continue its long-time upward trend, the slight decline in chickens raised is not likely to reduce egg output in 1954 below this year.

This fall, egg production is likely to be a little higher than a year ago. The number of layers is expected to be at or above a year ago and the rate of lay higher. Prices to farmers probably will be closer to a year earlier than last spring when they averaged 10 cents or more higher.

Feed Grains

A large supply of feed concentrates is assured. Based on crop conditions August 1 the corn supply for 1952-53 probably will total a record 4.1 billion bushels but supplies of oats, barley, and sorghum grain are below average. The 122 million ton total of the 4 feed grains probably will exceed use and stocks will increase again next season.

Fats and Oils

Some decline in output of food fats and oils is in prospect in the marketing year beginning October 1. The

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A Letter to Crop & Livestock Reporters

HERE it is September and the year is pretty near three-fourths gone. The kids are back in school, fair time is with us, and whiff of hardwood smoke on a cool September evening fills us with nostalgic thoughts of chestnuts and chinquapins, and feeding the city kids green persimmons. I sure enough got a calling down once for pulling that on a visiting kid, but he had it coming.

He was one of those "I know it all's" with "I told you so" on the tip of his tongue all the time. Believe me, after he chomped down on that green persimmon he couldn't say "I told you so," or anything else, for awhile. As a matter of fact, he couldn't tell his mother what was the matter at first. My mother was one of those people with bright twinkly blue eyes and all the time she was giving me the dickens for pulling it on him, I saw that twinkle and I guess she knew what it was all about. Anyway, these "I know it all" fellows always did get under my skin. Every now and then I hear one blowing off and I just want to give him that green persimmon treatment the worst way.

That's the way it was not long ago when I got on the train. One of those bright guys that knows all the answers got aboard and proceeded to give everybody aboard an example of his superior knowledge. That drought down South had been pretty bad and we were all sympathizing with the folks there for their hard luck, but this guy pitches in with the comment that, "They aren't hurting any, look at the price of corn and wheat."

"Why", he says, "I remember when wheat was 50 cents a bushel and hogs sold for 5 cents a pound . . . you can't tell me that with the prices now they aren't doing all right."

After this fellow sounded off for awhile, a man across the aisle spoke up and said, "Yes buddy, I remember those days perhaps better than you do, but I remember too when fertilizer sold for

\$15 a ton and you hired your farm labor for 25 cents an hour . . . before you start sounding off about the prices of farm products you better look at the prices of things a farmer has to buy to produce those products."

Of course, that didn't really stop the guy, but there were a whole lot of people around that car that began to smile and nod their heads. Of course, I'm not sure where that gentleman got his information, but I'd bet a dollar to a doughnut that he had been looking at our Price Report at sometime or other.

Now I wonder if all of you are familiar with the fact that we have a lot of friends and helpers who report prices of farm products. They report the prices that farmers pay for the commodities they have to buy as well as the prices farmers get for the things they sell. These *merchants, dealers,* and *handlers* cooperate voluntarily too, and they really render a very valuable service. There are about a hundred thousand of these folks that report on some things every month and on others every quarter. And the information they provide is the basis for keeping a lot of people straight on the real situation with respect to farm product prices. Maybe you don't see these reports very often, but they are mighty important to you because they are the basis for establishing parity prices.

You know what parity prices mean. Or maybe you really don't. I find that frequently there is a lot of confusion in people's minds as to what this *parity* does mean.

It's very simple. All it is, is a comparison of the prices the farmer gets for corn, wheat, oats, cotton, fruit and vegetables, hogs, livestock, and all the other products that the farmer produces with the prices of all the things that he has to buy . . . like fertilizer, farm machinery, tractors, automobiles, tires, clothing, furniture, food, and a hundred or more things like that, together with the price of farm labor, electric power, and even the taxes you have to pay. All of these series are averaged up, each month, and compared with the average for the base period. The 5 years, 1910-14, are taken as a base. Then the average of the prices a farmer receives divided by the average

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Who Owns Our Farm Lands?

HOW much farm land do individuals own? How much is owned by corporations? And how much by public agencies?

To help answer these and similar questions, we have made some special tabulations from a sample of the schedules of the 1950 Census of Agriculture.

Farmlands were classed as owned by individuals, corporations, Indian tribes, or public agencies. In this way the type of owner was determined for the 1,158,566,000 acres enumerated in farms in 1950.

To show the land not in farms, figures were taken from previous BAE studies.

Individuals Own 88 Percent

Farmland owned by one person or more than one person, as, husband and wife, partnerships, undivided interests or estates, and life estates, was classed

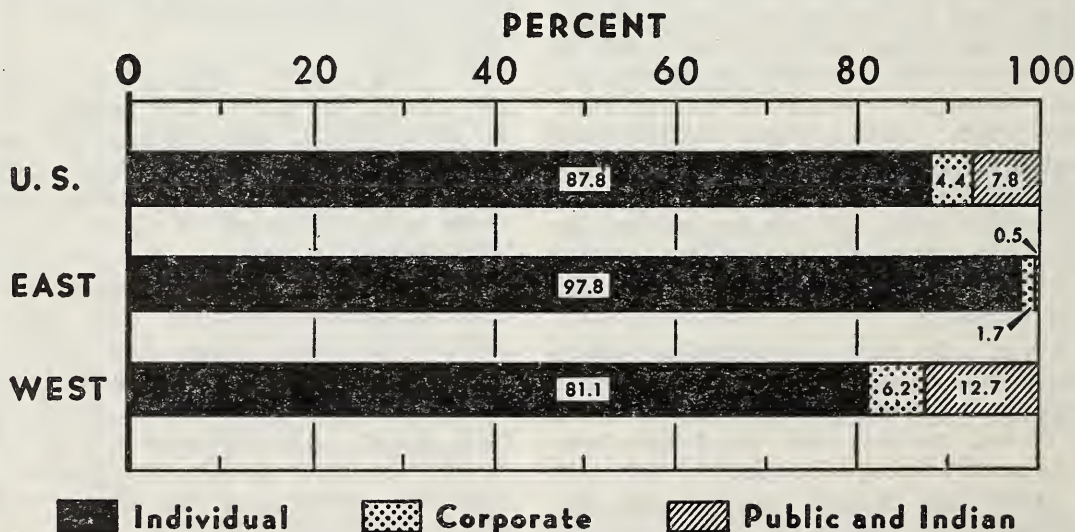
as individual ownership. Farmland in the United States is held largely by this group. Individuals owned 1,017.3 million acres, or 88 percent of all farm land in the U. S. (see chart and table). But in the 17 Western States, which contain 60 percent of the Nation's farm land, holdings by individuals included only 81 percent of the total. In Arizona, individuals owned only about one-fifth of the farmland. For the remaining States east of the Great Plains, individuals owned 98 percent. Florida was the only Eastern State in which individuals owned less than 90 percent of the farmland.

141 Million Acres Corporate-Owned Including Farm and Nonfarm

Corporations owned 51 million acres or 4.4 percent of the farm and ranch land of the country. Their holdings were most prevalent in the Western States and in Florida. Much of this land, where it was used for ranching or for fruit and vegetable production, was operated for the owner by a hired manager. Farming and ranching com-

PERCENT OF LAND IN FARMS, BY MAJOR TYPES OF OWNERS

United States and Regions, 1950



INCLUDES ONLY LANDS ENUMERATED IN THE 1950 CENSUS OF AGRICULTURE

BAE 49286 - XX

panies owned approximately half of the corporate-held farmland. Such companies were particularly prevalent throughout the 17 Western States and in Florida. The remaining corporate lands in farms were held mainly by profit corporations such as real estate businesses, and timber, mineral, and railroad companies, which seldom farmed the land. Much of this land was held for purposes other than farming or grazing, but was leased for grazing as a secondary source of income. In the Eastern States, most of the relatively small acreage of farmland owned by corporations was held by industrial companies for the minerals, for the timber, for plant sites, or for other reasons. In Louisiana, Mississippi, and Florida, there were scattered large corporate holdings where the land was farmed by the owners. Corporate holdings of farmland increased considerably in California and Florida from 1945 to 1950.

In addition to the 51 million acres of farm land, corporations also held an estimated 90 million acres of nonfarm land.

Some States Limit Corporate Ownership

A number of States have laws that restrict the operation and ownership of farmland by corporations. Some of these laws, as in Minnesota, California, Arkansas, Mississippi, Louisiana, and Texas, limit the time that insurance companies and, in some cases, banks can hold agricultural land. Some States, as Oklahoma, Texas, and Minnesota, place limitations on other kinds of corporations holding more land than is necessary for the operation of their business. In Texas, corporations may be formed to grow nursery seeds and plants, fruits, vegetables, tobacco, sugarcane and rice, to raise livestock, and for beekeeping. Oklahoma does not include farming and ranching as purposes for which corporations can be formed. In Mississippi, no one corporation shall hold and cultivate more than 10,000 acres of land. Nebraska prohibits charitable and fraternal corporations from holding for more than 25 years any real estate other than that necessary for a hospital or asylum, or for the transaction of their business.

Rural Lands, Land in Farms and Not in Farms, by Type of Ownership, U. S., 1949

Type of ownership	Land in farms ¹	Not in farms	Total ²
	Million acres	Million acres	Million acres
Individual.....	1, 017. 3	174. 8	1, 192. 1
Corporate.....	51. 0	90. 0	141. 0
Federal.....	16. 2	382. 1	398. 3
Indian.....	41. 7	15. 6	57. 3
State and Local.....	32. 4	64. 9	97. 3
Total.....	1, 158. 6	727. 4	³ 1, 886. 0

¹ Land in farms as enumerated by the 1950 Census of Agriculture.

² Data from Davidson, R. D., *Federal and State Rural Lands, 1950, with Special Reference to Grazing*. U. S. Department Agr. Cir. No. 909; and Wooten, H. H., *Major Uses of Land in the United States*. U. S. Department Agr. Tech. Bul. 1082. (In press.)

³ This acreage determined by excluding 18.3 million acres in cities and towns of more than 1,000 population from the 1,904 million-acre land area of the United States.

Indian and Public Lands

Land in farms owned by Indians under Federal jurisdiction included 42 million acres, or 3.6 percent of the total farm acreage enumerated by the 1950 Census. This land was primarily grazing land in North and South Dakota and the 8 Mountain States. Only a small amount of this land was cultivated.

Federal, State, and local governmental holdings represent more than 4 percent of the land in farms. They are largely unappropriated Federal lands, State grant lands, and tax-reverted State and county lands in the 17 Western States, where the low rainfall limits their use to grazing. These Government holdings of land in farms totaled 49 million acres in 1950. A third of these lands were in Federal ownership, and two-thirds were in State and local ownership. Although no separate tabulation was made of the acreage owned by local units of government, the amount appears to be relatively small. There was a considerable decline in publicly owned farmland in North and South Dakota from 1945 to 1950. This is because these States have been selling back to individuals lands that had been forfeited by their owners in the 1930's for non-payment of taxes.

Ownership of Nonfarm Land

Data on ownership of *all* rural lands—farm and nonfarm—are available from estimates by the *U. S. Department of Agriculture, BAE* (see *table*). These estimates make it possible to approximate the acreage of nonfarm lands by type of owner.

Of the 1,886 million acres of rural lands in the United States, approximately 727 million acres were not enumerated by the 1950 Census of Agriculture. In collecting the data, the census taker goes to each individual farmer and asks him how much land he has in his farm. This means that land not actually operated by a farmer or which he does not have *exclusive* right to use, is not enumerated.

The rural lands not enumerated in farms included approximately 400 million acres of lands grazed. This acreage included 236 million acres owned by the Federal Government, 10 million acres of Indian lands, 14 million acres owned by

State and local governments, and 140 million acres in private ownership.

A large proportion of these lands owned by public agencies were grazed under permit which allowed the rancher to graze a specified number of livestock on a range block, usually along with one or more other ranchers. Permits to graze were provided ranchers through State and Taylor grazing districts and through cooperative grazing associations. Since these lands could not be identified as a part of any particular farm or ranch, they were not included in census farms.

Buis T. Inman
Bureau of Agricultural Economics

H. E. Robison
Bureau of the Census

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		August 15, 1952	July 15, 1953	August 15, 1953	Effective parity price Aug. 15, 1953 ²
	Base period price ¹	January 1947- Decem- ber 1949				
Basic commodities:						
Cotton American upland (pound).....cents.	12.4	31.21	37.92	31.87	32.77	34.35
Wheat (bushel).....dollars.	4.884	2.14	2.04	1.87	1.86	2.45
Rice (cwt.).....do.	1.92	5.38	5.40	5.92	5.32	5.34
Corn (bushel).....do.	4.042	1.64	1.73	1.47	1.48	1.78
Peanuts (pound).....cents.	4.8	10.2	10.9	11.1	11.1	13.3
Designated nonbasic commodities:						
Potatoes (bushel).....dollars.	10.573	1.60	2.77	.955	.914	1.59
Butterfat in cream (pound).....cents.	26.7	71.2	72.8	64.8	64.7	74.2
All milk, wholesale (100 lb.) ⁶dollars.	1.68	4.42	4.78	4.06	4.22	4.67
Wool (pound).....cents.	21.0	46.0	53.0	53.9	53.0	58.4
Other nonbasic commodities:						
Barley (bushel).....dollars.	.488	1.37	1.39	1.15	1.10	1.36
Cottonseed (ton).....do.	25.90	71.60	69.80	59.00	56.70	72.00
Flaxseed (bushel).....do.	1.62	5.54	3.77	3.17	3.21	4.50
Oats (bushel).....do.	.317	.852	.800	.701	.717	.881
Rye (bushel).....do.	.605	1.82	1.77	1.21	1.15	1.68
Sorghum, grain (100 lb.).....do.	1.21	2.53	2.90	2.42	2.42	2.68
Soybeans (bushel).....do.	.996	2.84	3.05	2.44	2.40	2.77
Sweetpotatoes (bushel).....do.	.964	2.36	4.10	4.02	3.50	2.68
Beef cattle (100 lb.).....do.	7.54	20.20	24.60	17.30	16.30	21.00
All chickens (pound).....cents.	11.0	29.3	27.0	26.1	25.5	30.6
Eggs (dozen).....do.	21.5	46.6	48.2	47.7	50.2	47.4
Hogs (100 lb.).....dollars.	7.26	21.90	20.60	24.20	23.60	20.20
Lambs (100 lb.).....do.	8.19	21.90	25.50	21.90	20.10	22.80
Calves (100 lb.).....do.	8.39	22.60	26.20	17.00	16.70	23.30
Oranges, on tree (box).....do.	2.29	1.23	1.06	.83	.66	3.30
Apples (bushel).....do.	.996	2.39	2.73	3.11	3.03	2.77
Hay, baled (ton).....do.	11.87	22.40	24.10	20.20	20.60	26.30

¹ Adjusted base period prices 1910-14, based on 120-month average January 1942-December 1951 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909-July 1914 for all cotton.

⁴ 60-month average, August 1909-July 1914.

⁵ Adjust base period price 1910-14 derived from 10-season average prices 1943-52.

⁶ Prices received by farmers are estimates for the month.

⁷ Preliminary.

⁸ 10-season average 1919-28.

⁹ Transitional parity, 80 percent of parity price computed under formula in use prior to Jan. 1, 1950.

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total personal income payments (1935-39=100) ²	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Commodities	Wage rates for hired farm labor ⁴	Commodities, interest, taxes and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	-----	100	100	100	100	100	100	100	100	100
1925-29 average.....	98	-----	232	143	151	184	161	161	155	145	152
1935-39 average.....	100	100	199	118	124	121	125	119	108	117	115
1947-49 average.....	185	294	462	225	240	430	249	275	224	334	291
1950 average.....	200	330	518	232	246	425	255	247	181	340	278
1951 average.....	220	370	563	258	271	470	281	284	226	411	335
1952 average.....	219	393	592	251	273	503	286	302	203	358	307
1952											
August.....	215	3.95	586	252	274	-----	287	295	225	372	316
September.....	228	4.03	607	251	271	-----	285	307	227	349	309
October.....	230	4.04	613	250	269	499	282	316	228	328	301
November.....	234	4.04	613	249	268	-----	281	318	238	310	295
December.....	235	4.09	628	246	267	-----	280	309	221	291	280
1953											
January.....	236	409	622	247	267	514	282	296	218	303	281
February.....	240	409	620	246	264	-----	280	286	206	305	277
March.....	243	413	627	247	265	-----	281	277	216	301	274
April.....	241	412	622	246	264	508	279	264	218	299	270
May.....	241	415	624	247	264	-----	279	257	218	317	277
June.....	241	416	628	246	260	-----	276	254	213	299	267
July.....	232	-----	-----	249	261	514	278	261	223	318	280
August.....	-----	-----	-----	-----	262	-----	278	267	230	305	276

Year and month	Index numbers of prices received by farmers (1910-14=100)								Parity ratio ⁶
	Crops							All crops and livestock	
	Food grains	Feed grains and hay	Tobacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops	
1910-14 average.....	100	100	100	100	100	100	-----	100	100
1925-29 average.....	141	118	169	150	135	146	145	143	148
1935-39 average.....	94	95	172	87	113	95	95	99	107
1947-49 average.....	246	223	384	262	319	195	214	246	270
1950 average.....	224	187	402	280	276	200	185	232	256
1951 average.....	243	220	436	335	339	193	239	264	302
1952 average.....	244	227	432	309	296	195	254	267	288
1952									
August.....	236	233	436	319	310	206	229	272	295
September.....	240	234	428	329	305	200	182	264	288
October.....	240	219	429	311	304	215	189	260	282
November.....	248	213	412	288	300	195	238	257	277
December.....	247	218	428	268	300	206	256	257	269
1953									
January.....	245	214	419	252	291	208	237	251	267
February.....	240	206	424	255	287	209	237	247	263
March.....	246	208	424	266	291	215	248	253	264
April.....	244	206	424	266	289	226	204	247	259
May.....	242	205	426	268	285	224	182	243	261
June.....	222	198	425	266	280	253	270	251	259
July.....	218	197	426	269	268	207	216	237	259
August.....	215	198	430	277	262	205	221	237	258

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.
² Computed from reports of the Department of Commerce; monthly data adjusted for seasonal variation.
³ Bureau of Labor Statistics.
⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted. ⁵ Revised.
⁶ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

Outlook Highlights

(Continued from page 10)

of soybean crop—second largest of record—is estimated to be slightly above the 1952 crop, but cotton crop forecast for August 1 indicated a 3-percent drop in cottonseed output. Output of lard probably will be down more than 5 percent and butter production also is likely to be smaller. The reduction in output is likely to be slightly more than offset by the increase in stocks expected October 1.

Cotton

A 20-million bale supply of cotton is in prospect for 1953-54. This tops last season by 11 percent. The crop this year is estimated to be 3½ percent below 1952, but stocks more than doubled from August 1, 1952, to August 1, 1953.

Tobacco

Supplies of both burley and flue-cured tobacco will be larger in 1953-54 than in 1952-53. Production of each crop is down but stocks are up. For other types, supply of dark-air cured will be a little larger than last season but fire-cured, cigar filler, binder and wrapper will be smaller.

Letter to Crop and Livestock Reporters

(Continued from page 11)

prices paid for the things he has to buy becomes the so-called parity ratio. And this ratio is pretty important to know about because aside from the fact that parity is the basis for the support price on many crops, it lets the farmer and everybody else know how one of the biggest industries in our country—agriculture—stacks up as a customer for the things other folks have to sell.

This large group of voluntary reporters, dealers, handlers, storekeep-

ers, mill and elevator men, automobile dealers, and many others who report each month are really doing a great service to agriculture and the country as a whole. Perhaps some of the dealers and storekeepers in your neighborhood are voluntary price reporters. If they are, you might tell them "thank you" sometime for the help they are rendering.

Of course, if they didn't do any more than give me the opportunity to give the green persimmon treatment to some of these "know it all" guys, that are always sounding off with or without provocation, the reports would be worth just an awful lot to me.

S. R. Newell, Chairman
Crop Reporting Board, BAE

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